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SUPERMARKET BUSINESS

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NONFOODS BUSINESS
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$3.50
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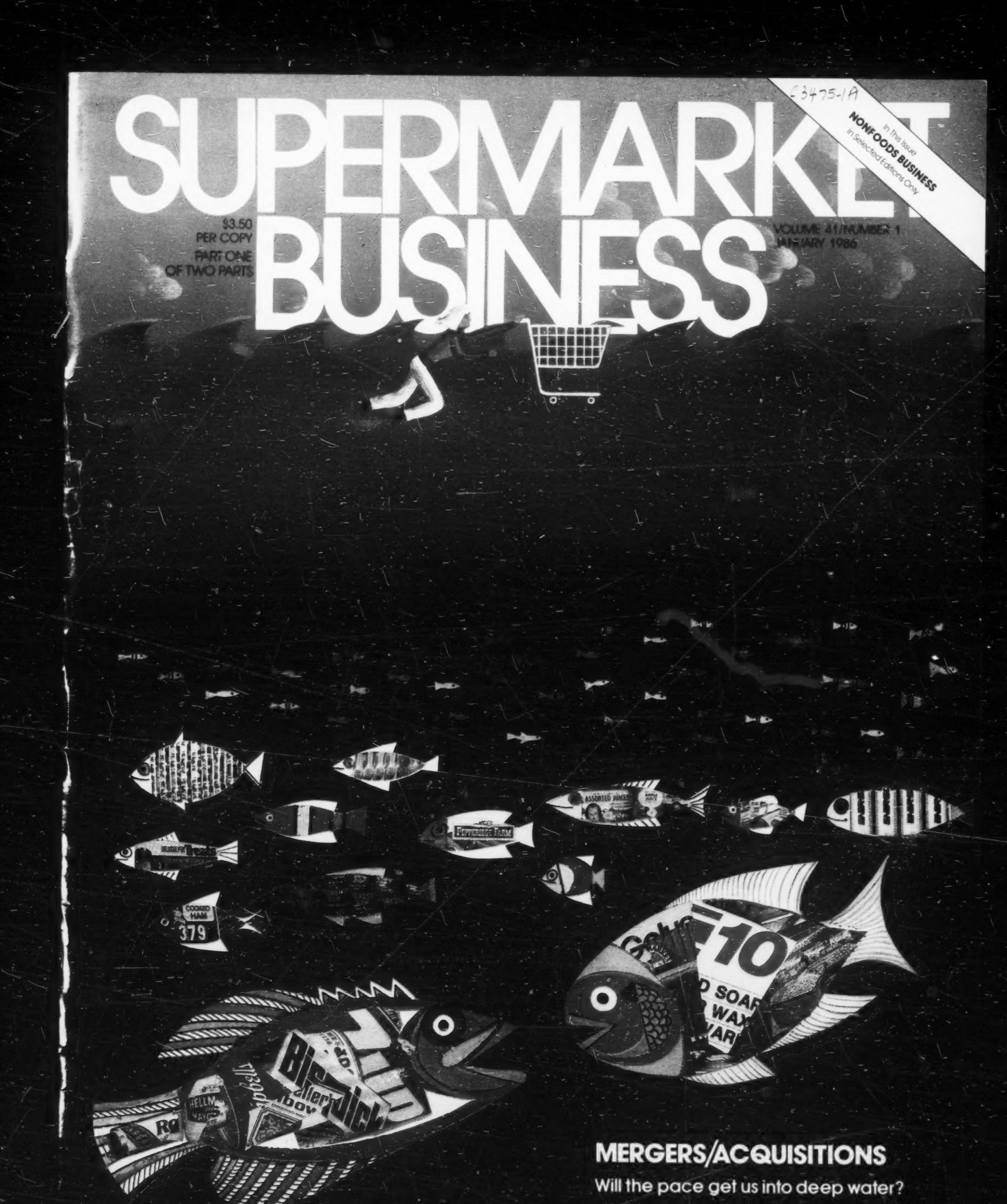
PART ONE
OF TWO PARTS

VOLUME 41/NUMBER 1
JANUARY 1986



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George Stevens

Fieldmark Media, Inc.
3530 W. Peterson Ave.
Chicago, Ill. 60659
312-583-1318

WEST COAST
Sue Marritt

Fieldmark Media, Inc.
16133 Ventura Blvd., Suite 700
Encino, Calif. 91436
818-783-5888

FIELDMARK MEDIA, INC.
25 W. 43rd Street, Suite 707
New York, N.Y. 10036
212-354-5169

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SUPERMARKET BUSINESS Magazine (ISSN 0196-5700) is published monthly by Fieldmark Media, Inc., 25 W. 43rd St., New York, N.Y. 10036. Telephone: 212-354-5169. Circulated free of charge to grocery retailers and wholesalers. U.S. subscriptions $35 per year; Canada, $40 per year. Foreign subscriptions $48 (seamail), $198 (airmail), per year. Single copies $3.50 except Consumer Expenditures Study (September issue) $20 per copy. (Discount prices available on multiple purchases.)
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Second class postage paid at New York, N.Y., and additional mailing offices.

BPA ABP American Business Press Inc

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VOLUME 41
NUMBER 1
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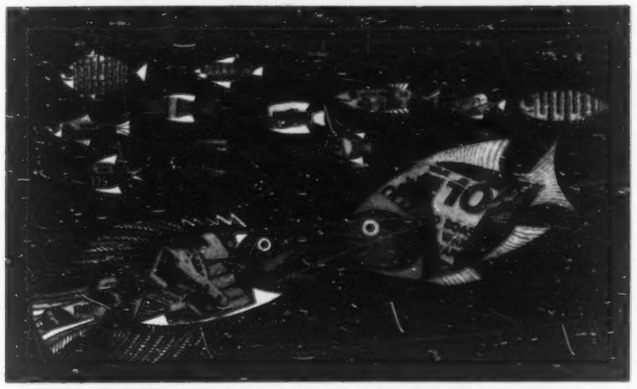

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HEALTH & BEAUTY AIDS: SAMI FOUR-WEEK FOOD STORE UNIT TRENDS VS. YEAR AGO

PRODUCT GROUP AND CATEGORY	% CHANGE VS. YEAR AGO 4 WEEKS ENDING 9/13/85	4 WEEKS ENDING 10/11/85	4 WEEKS ENDING 11/8/85
BABY NEEDS	**+ 2.1%**	**+ 2.8%**	**+ 1.4%**
Baby Powders	+ 5.5	+ 7.2	– 4.2
Baby Oils, Creams & Lotions	– 0.1	+ 2.6	+ 3.5
Infant Clothes	– 9.4	– 11.9	– 9.2
Nursing Supplies	+ 5.3	+ 5.2	+ 5.3
DEODORANTS	**+ 6.2%**	**+ 4.9%**	**+ 4.1%**
Sprays	– 2.6	– 5.1	– 5.8
Roll-Ons	– 6.9	– 3.2	– 4.6
Stick Deodorants & Pads	+ 22.9	+ 20.9	+ 19.2
Creams	– 7.6	– 9.5	– 13.3
Deodorants & Talcum Powders	+ 22.4	+ 17.7	+ 7.1
Feminine Hygiene Deodorants	+ 0.3	– 2.1	– 8.4
Foot Deodorants & Athlete's Foot Remedies	+ 18.5	+ 14.1	+ 9.5
Feminine Douches	+ 7.0	+ 4.9	+ 6.9
FIRST AID	**+ 2.8%**	**– 0.1%**	**+ 2.7%**
Antiseptics	+ 8.4	+ 4.7	+ 4.2
First Aid Products	+ 1.2	– 1.3	+ 2.3
HAIR CARE NEEDS	**+ 0.6%**	**+ 5.1%**	**+ 7.5%**
Shampoos	– 7.2	– 0.1	+ 1.7
Hair Sprays	+ 12.3	+ 12.4	+ 18.3
Hair Conditioning Rinses	– 6.8	– 2.7	+ 4.6
Hair Setting Needs	+ 85.8	+ 85.2	+ 40.4
Home Permanent Kits	+ 5.0	– 3.2	– 10.0
Hair Coloring	+ 12.9	+ 6.3	+ 7.7
Hair Dressing Needs	+ 10.8	+ 7.2	+ 9.6
ORAL HYGIENE	**+ 3.5%**	**+ 1.2%**	**– 3.8%**
Toothpastes & Powders	+ 5.7	+ 4.6	– 6.2
Mouthwashes	– 1.0	– 8.6	– 5.3
Breath Fresheners	+ 5.0	+ 1.0	– 5.6
Denture Cleaners	– 0.6	– 6.0	– 1.1
Denture Adhesives	– 5.8	– 6.8	– 5.6
Toothbrushes	+ 2.3	+ 2.2	+ 10.9
PROPRIETARY REMEDIES	**+ 1.6%**	**– 0.5%**	**+ 2.9%**
Antacids	+ 3.7	+ 3.5	+ 3.5
Internal Analgesics	– 5.9	– 3.4	– 2.7
External Analgesics	+ 3.6	– 2.5	+ 2.0
Cold Tablets	+ 6.6	+ 5.5	+ 8.5
Nasal Sprays—Drops—Inhalers	– 4.4	– 7.0	+ 3.9
Chest Rubs	+ 4.2	+ 0.3	+ 5.3
Cough Remedies	+ 0.3	– 4.5	+ 3.3
Laxatives	+ 3.5	+ 3.6	+ 1.6
Sleeping Aids	+ 5.0	+ 1.4	+ 12.1
Tranquilizers	– 19.9	– 24.0	– 33.9
Synthetic Vitamins (Natural Vitamins, Minerals, Supplements)	– 2.3	—	+ 10.0
Eye Care Products	+ 29.0	+ 23.3	+ 22.9
Appetite Suppressants	– 9.6	– 7.2	– 9.3
SHAVING NEEDS	**+ 2.8%**	**+ 3.2%**	**+ 4.6%**
Shaving Creams	+ 4.6	+ 0.4	+ 3.3
Pre-Shave Lotions	+ 2.3	– 1.7	+ 5.4
After-Shave Lotions	+ 8.6	+ 9.3	– 2.3
Razor Blades	+ 1.5	+ 4.0	+ 5.9
Razors & Blades	+ 2.7	– 2.9	+ 8.8
SKIN CARE AIDS	**+ 13.3%**	**+ 0.6%**	**+ 9.7%**
Hand & Body Creams & Lotions	+ 4.1	– 12.0	+ 0.9
Facial Preparations	+ 43.2	+ 31.8	+ 36.9
Lip Care Products	+ 29.1	– 0.7	+ 16.7
Suntan Lotions & Oils	– 34.7	– 2.7	+ 46.0
Cosmetic & Medicated Skin Aids	+ 6.4	+ 1.8	+ 1.4
TOTAL ALL CATEGORIES	**+ 2.9%**	**+ 1.8%**	**+ 2.9%**

SAMI UPDATE

HBA Food Store Sales Accelerate as a Good Year Draws to a Close

BY ALAN MILLER, JR.

Owing to a sales explosion in facial preparations, skin care products are up 9.7 percent from a year ago.

During the four-week SAMI reporting period ended Nov. 8, 1985, the growth rate for health & beauty aids (HBA) picked up a bit from the gain recorded in the prior period. Unit sales through food stores were 2.9 percent higher than those reported during the corresponding period a year ago. This increase was surpassed on a product department basis only by a rise of 3.2 percent in units of refrigerated foods.

In all product departments combined, the growth rate measured in units was just one-half of a percent, and there were four-week loss rates in dry grocery:food (-0.2 percent) and frozen foods (-2.2 percent). There was a gain of 2.2 percent in the unit volume of dry grocery:nonfood.

Worrisome weakness

The one HBA product group exhibiting worrisome weakness was oral hygiene, where the only plus sign was for toothbrushes. The product group loss amounted to 3.8 percent and compares with a gain of 1.2 percent in the preceding period vis-à-vis a similar period last year.

The other seven HBA product groups were successful in logging gains ranging from a high of 9.7 percent for skin care aids to a low of 1.4 percent for baby needs.

At the product category level of measurement, there were 34 with gains and 16 with declines—a better performance record than the 27 plus and 23 minus during the preceding period and the same ratio of category gains to losses seen in the period ended Sept. 13, 1985.

Some of the bloom is taken off the rose in assessing the most recent trends, when we note that the corresponding sales period a year ago was a weak one, during which unit sales fell 1.4 percent when compared with the 1983 interval, and loss rates outpaced gains by a ratio of 33 to 17, just about the reverse of the current win/lose comparison.

Strong track record

However, nothing is going to steal thunder from HBA's track record as the leading department in terms of 52-week dollar sales—a strong 7.5 percent advance that exceeded the 5.5 percent dollar growth among refrigerated foods, 5.4 percent for dry grocery:food and 4.5 percent for all product departments combined.

In the baby needs product group, there were unit volume losses in two of the four categories: infant clothes, a perennial nongrowth situation (-9.2 percent), and baby powders (-4.2 percent), which hops back and forth between the plus and minus columns. Registering gains were baby oils, creams and lotions (+3.5 percent) and nursing supplies (+5.3 percent). And in all four categories combined, the gains outweighed the losses, reflecting an increase of 1.4 percent for the product group.

The trend among personal deodorant categories during the most recent measurement period is not markedly different from the strengths and weaknesses observed during the period that ended on Oct. 11. The categories with poor performance continue to be sprays, roll-ons, creams and feminine hygiene, while the gains were enjoyed by sticks, deodorant and talcum powder, foot deodorants and athlete's foot remedies, and douches.

First aid

The trend in the first aid product group has reversed from -0.1 percent in the preceding period to +2.7 percent currently. The improvement is the result of stronger sales for first aid products (+2.3 percent) and a continuing gain rate in excess of 4 percent for first aid antiseptics for the past two periods.

Despite a declining rate of growth among hair setting needs, as the new hair styling mousse products reach maturity, the hair care needs product group is the focal point of keen interest among consumers. The only category with a four-week decline in unit sales is home permanent kits, where the loss amounted to 10 percent. Next to hair setting needs, up 40.4 percent, the brisk

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SAMI

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sales action was among hair sprays, 18.3 percent ahead of the 1984 pace.

Both shampoos and hair conditioning rinses reversed prior period negative trends as of early November, with gains of 1.7 percent and 4.6 percent, respectively. The increases of 7.7 percent for hair coloring and 9.6 percent for hair dressing needs exceeded the rate of gain levels recorded during the preceding period.

Trouble spot

The one trouble spot on the HBA scene was the weakness of all products in the oral hygiene category except toothbrushes. The decline of 6.2 percent for toothpaste and powder translates to a loss of nearly 2 million units. It is possible that some families purchased the new pumps before they used up their tubes, and are now depleting the supply before repurchasing.

There were losses in unit volume in the two most recent reporting periods for mouthwashes and denture cleaners and adhesives. In the last two instances, there are negative trends on an annual basis as well. The loss for breath fresheners does not amount to many dollars in this small-volume category.

Overall, the current trend for proprietary remedies is more favorable now than in the early October report. Moving from losses to gains between periods were external analgesics, nasal sprays and cough remedies. The loss in the high-volume internal analgesics category was slightly improved, moving from -3.4 percent to -2.7 percent in the most recent period.

Diet pills down

Appetite suppressants continue to lose favor as consumers pursue alternative diet regimens. The gain among eye care products is still moving along at a 20 percent-plus clip without cessation, and both synthetic vitamins and sleeping aids hit double-digit gain rates in the four-week period under scrutiny.

The only sales decline in the shaving needs group was a 2.3 percent dip for after-shave lotions, which had forged ahead 9.3 percent in the prior period. As a result of strength among disposable shaving systems and prepacks, razor blade volume advanced 5.9 percent, and razor sets moved upward 8.8 percent.

On an annual basis, the only category of shaving needs showing a gain is pre-shave lotions. The other categories have 52-week loss rates ranging from a high of -4.7 percent for razors and blades to a loss of 1.2 percent for razor blades.

A plus for all categories

Ending our analysis on a strong note, the trends in the five skin care aids categories measured by SAMI are all in the plus column, and the product group as a whole moved ahead of last year's pace by 9.7 percent. Much of this sales vitality comes from the facial preparation category, where sales exploded for a 36.9 percent gain, helped in particular by the sales of new Buf-Puf, the roll-out of Johnson & Johnson's Take Off and a strong showing for Noxzema and the Olay line of facial preparations.

There was only a small increase (+0.9 percent) in the highest volume skin care aids category—hand and body creams/lotions. This regained strength, however, was in happy contrast to the 12.0 percent loss recorded in the previous period. The 46 percent gain for suntan products is hardly significant during a sales period that ended in early November. Of more importance is the trend reversal for lip care products, where a loss of 0.7 percent in the early October period has turned around to a current gain of 16.7 percent.

It would appear that when the final curtain is lowered on food store trends in 1985, HBA will have performed as well as any product department except refrigerated on a unit basis, and all by itself in first place in terms of the department's dollar rate of advance. ■

HOME DIAGNOSIS

Continued from page 16B

Along with these unprecedented developments, some of the home tests may succumb to the traditional laws of the shelf. Few managers will tolerate a slow-moving, high-cost product for long. This seems especially true at the Shopwell and Food Emporium stores, many of which are shoehorned in high-cost urban quarters where shelf space is at a premium.

Space is precious

"We like to have a greater variety of small-sized items on our shelves," a spokesman says. "One of these ovulation predictors is close to a foot long. I'm not sure if we could justify the extra shelf space—these sorts of items tend to be slower moving. We certainly couldn't turn over these tests as quickly as we can, say, toothpaste. And we'd have to be concerned with breakage—the packaging tears, and you've lost $20."

A&P's Kwiatkowski says that pilfering could also determine whether diagnostic kits will stay in the HBA section.

"If you have the regular amount of pilfering, and you're selling items at $1.50, it's not so bad. But if you lose even one of these items to breakage or pilfering, you're losing seven, eight, nine bucks at cost. You're skimming that off whatever profit you make."

If diagnostic products ever become a significant force in the average HBA aisle, the products will probably be less costly to retailers and consumers, and arrive on the marketplace with more comprehensive advertising programs. Unless these campaigns increase public awareness of the available tests, alleviate public fear and embarrassment, and dissolve points of controversy, the boom in self-diagnostic kits could resemble something close to a fizzle. ■

PHARMACIES

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Who needs big stores?

To prove that there's an exception to just about every rule, one need look no farther than Des Moines, headquarters of Easter Stores, a 22-unit chain operating in Iowa, Illinois, Missouri and Indiana. Conventional wisdom says that you cannot build a pharmacy in a supermarket smaller than 35,000 square feet. Apparently, nobody told Dennis Easter that, for he has 15 pharmacies in stores ranging from 15,000 to 40,000 square feet, in conventional supermarkets, combo and super stores.

"We're in smaller towns, and some stores just aren't that big," Easter, the chain's president, explains. "But it's an important enough department that we'll fit it in."

Each pharmacy has two pharmacists and a technician, both full- and part-time. The departments average 300 square feet, but pull in some large figures: prescriptions alone account for $9,000 a week, 5 to 6 percent of total sales. Most of the stores are open around-the-clock, and the pharmacies are open 12 hours a day. Easter says there is no consistent pattern for the section's location within the store, but word of mouth, along with dollar-off coupons, bag stuffers and newspaper ads, eliminates any customer confusion.

Raiman of ShopRite could well be speaking for Easter and all other successful instore pharmacy operators when he says: "The pharmacy is the hardest department in the store to attract customers, but it is also the hardest one to lose them from once you've got them. Pharmacies develop confidence and trust."

And for retailers, that's the best medicine of all. ■

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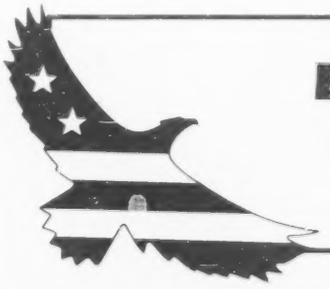

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